

War Fails to Cool Argentines' Ardor at the Opera House and the Boxing Arena

By Margot Hornblower

Washington Post Service

BUENOS AIRES — An Argentine tenor, a man who has sung at the Met and La Scala, made a triumphant debut last week at the Teatro Colón, Buenos Aires' magnificent opera house. From the sixth balcony — "El Paraiso," Paradise, as they call it — where standing room sells for 50 cents a ticket, the braves descended in waves.

Five minutes. Ten minutes. The shouts and whistles echoed across the gilded cupola and through the chandeliers as Luis Lima, who was playing Tosca's Cavaradossi, stood frozen in a dramatic pose. In the orchestra, where the red velvet seats with brass fittings cost \$25 a night, the patrons in silk and sequins lost patience, clucking and gesturing impatiently toward the rafters.

Paradise would have none of it.

The class warfare, fueled by patriotic emotions, was a curious side show in an evening that began with the thunderous strains of 3,000 people singing the Argentine national anthem. But in the end, even the aristocrats tossed roses to Luis Lima and a few women cried for love of art and country.

In this capital city of 12 million, the war over the Falkland Islands seems distant. Yet, in small ways, it touches every aspect of Argentine life.

No one would stop going to the opera in a country where more than 40 percent of the population is of Italian extraction. But at the bus stops outside the Colón, where the patrons of Paradise waited in orderly lines after the performance, every other label was decorated with a fraying strand of ribbon of blue and white, the national colors.

A popular restaurant on the Avenida Recon-

quista, the London Grill, didn't go out of business. It merely renamed itself "The Grill" and removed Queen Elizabeth's portrait from the entrance. The Franco-Inglesa pharmacy, one of the oldest in the city, is now the Franco pharmacy. The movie "Chariots of Fire," a tribute to two British athletes, was banned after a successful five-week run. But on television, one can freely watch American television shows, dubbed in Spanish.

At the 22,000-seat Luna Park boxing arena business has never been better. On a recent sweltering evening, the Café Ringside, with its framed snapshots of Argentina's greats, was filled with fans sipping rich black coffee with hot milk. The lines at the box office for \$2 tickets wound around the block. Inside, Ubaldo Sacco and Roberto Alfaro were vying for the South American light welterweight championship. Argentina has 98 professional box-

ing arenas, but Luna Park, which boasts that Muhammad Ali fought here and Frank Sinatra sang here, features the stars.

"Four world titles were decided here last year," said Daniel Van der Beken, the arena's press agent. And, he says, although he thinks about the Falklands war, "you can't stop the country for that. People want to be distracted. We can't let our inner calm slip away."

A week ago, proceeds from the Saturday night fight went to the "patriotic fund," a multimillion-dollar, government-sponsored project to raise money for the war. But this week, the only reminder of the conflict was a sports promoter who, passing through a group of radio reporters, said a takeoff of Foreign Minister Nicanor Costa Méndez's daily routine: "No, señor, no comments today," accompanied by exasperated gestures that have become familiar to thousands of television viewers.

The ringside seats were filled with men with broken noses, former champs dressed in shiny suits, with blue and white ribbons in their lapels. "Coca-Cola and smiles for you," said an immense neon sign on the wall, but the fighters below do not look happy.

For 11 rounds, Sacco and Alfaro danced and snorted, jabbing and boxing. Then, in the 12th and last round, Alfaro was cut over the right eye and the blood trickled down his face. It was a good, close fight between two Argentines, and the judges pronounced Sacco the winner. He grabbed Alfaro by the knees in an affectionate bear hug and whirled him in the air as the crowd roared.

Argentina's most famous world champion, the late Luis Angel Firpo, known in the United States as "the wild bull of the Pampas," has been featured on Argentine television lately in

an old film clip where he pitches Jack Dempsey out of the ring. This spot is part of a propaganda campaign, designed to show what Argentina is about to do to Britain.

Firpo is buried in "La Recoleta," Buenos Aires' opulent cemetery where presidents in polished cedar caskets with silver handles lie in chapels with stained glass windows. Many of the mausoleums have impressive statues of their occupants, including one of a young girl who, it is said, was buried alive after a heart attack and awoke to stagger across the street before expiring. Firpo's grave is notable for a larger-than-life bronze figure of the champ, dressed in his boxing robe, opened to show his massive chest.

Now the cemetery is full, explains a guide, and the new Argentine heroes who have died for "the fatherland" will have to be buried elsewhere.

Moscow Offers 'Détente' to China, Details Past Bilateral Differences

By Dusko Doder

Washington Post Service

MOSCOW — The Soviet leadership offered Thursday to negotiate "détente" with China, saying their estrangement only served the interests of the West and expressing the hope that Peking would "find a way out of the blind alley in which Soviet-Chinese relations are at the moment."

An authoritative statement in Pravda said that the time was ripe to resume a dialogue, and that the Russians were prepared to do so without preconditions. The statement was signed by Igor Alexandrov, a pseudonym indicating that it was a Kremlin policy statement.

"It is our profound belief that there exists a real possibility for improving Soviet-Chinese relations," the party daily said. "To miss this possibility or to deliberately pass it would mean to act contrary to the interests of the peoples of the two countries."

The article, which contained the most detailed and open analysis to date of bilateral differences, coincided with the private visit to Peking by the Kremlin's top China expert, Mikhail S. Kozlov. Leonid I. Brezhnev, the Soviet president, publicly appealed to the Chinese leaders two months ago for an end to more than two decades of hostility between Peking and Moscow.

Visit to Peking

Mr. Kozlov, the chief of the Foreign Ministry's Asia department, is ostensibly visiting the Soviet ambassador in Peking. Another senior Soviet official who visited the ambassador a few months ago was reported also to have conferred with senior Chinese offi-

cials. Three Chinese "experts" recently visited the Chinese ambassador in Moscow and met with high-level Soviet officials.

The tone of Thursday's article was conciliatory and without polemic thrusts. It criticized China's "collusion" with the United States in foreign affairs but emphasized that "the imperialists" were benefiting from Chinese-Soviet tensions.

Formal Proposal

"The historical experience of China itself and our present reality convince us that the imperialists have never been, are not and will never become friends of Socialism. They only look for a chance to bleed the Socialist states white by dragging them into confrontation, into the arms race," Pravda said.

The statement complained that Soviet overtures to Peking so far have been met by a series of "obviously unacceptable preliminary conditions." It said the Chinese were insisting on a reduction of Soviet influence in Mongolia, Indochina and Afghanistan, withdrawal of Soviet troops along the Chinese border and territorial concessions in disputed border areas.

Moscow formally proposed to China last September that the two countries revive talks about improving relations, or at least review low-key border negotiations. Talks that began in October, 1979, were broken off following the Soviet intervention in Afghanistan.

The border talks, which have been conducted intermittently for almost a decade, were stopped for the same reason.

Despite Peking's restrained reaction to the earlier Soviet overtures,

the Russians apparently have sought vigorously to exploit Peking's displeasure with President Reagan's Taiwan policy.

Diplomatic analysts in Moscow said no dramatic surprises could be expected. Yet it is clear that even a modicum of détente with China — if only tactical and temporary — is eagerly sought by the Russians in an effort to relieve Western pressure.

Pravda noted Thursday the establishment of "contacts" between Soviet and Chinese institutions and private visits of experts and scientists. It also disclosed that the Kremlin proposed to the Chinese recently to develop ties in the "scientific-technical area" and to exchange student groups.

The newspaper said détente between the two countries could only benefit China, allowing it to "turn much more of its energies to its internal development to overcome the consequences of the Cultural Revolution."

China Reportedly Suspicious

PEKING (AP) — China, has "great interest" in improving relations with the Soviet Union but suspects the Kremlin's motives and wants more than words of reconciliation, Foreign Minister Wilfried Pahr of Austria said Thursday.

Mr. Pahr said at a news conference that the Chinese foreign minister, Huang Hua, told him that "ideas and facts, not words" would determine whether Chinese-Soviet relations improved. He added that Peking "has no confidence in the willingness of the Soviet Union to really improve relations."



Argentine Deputy Foreign Minister Enrique Ros, right, and Argentina's chief UN representative, Eduardo Roca, talk to reporters after a closed-door Security Council meeting on the Falklands.

Fleet Poised Off Falklands; U.K. Withdraws Peace Plan

(Continued from Page 1)

Barring unexpected labor agitation Friday, they said, the Mass can be celebrated Friday evening.

There was still no official word whether the pontiff will embark on his six-day tour of Britain on May 28 as scheduled.

Argentina has air and naval bases on its sector of Tierra del Fuego.

A BBC correspondent in Chile quoted authorities as saying they believe at least one crewman may have survived and may be in hiding in the area. A tent was found nearby.

Argentina Freezes Assets

BUENOS AIRES (Reuters) — Argentina has banned the sale or transfer of British assets in the country, the official news agency Telam said Thursday. Telam said the measure affects all property on the territory of the Argentine Republic belonging to the United Kingdom, the British crown, non-permanent British residents in Argentina and other nationals living in Britain.

British investment in Argentina is comparatively small, totaling about \$290 million.

Soccer Question Open

LONDON (Reuters) — Prime Minister Thatcher said Thursday her government did not intend to present to intervene in the question of whether British teams should compete in the World Cup soccer finals despite the Falklands crisis.

Pope Prays for Peace

VATICAN CITY (AP) — Pope John Paul II prayed Thursday for an end to the conflict surrounding the Falklands after summoning Argentine and British cardinals to Rome for a special Mass for peace between the two countries.

Because of a 24-hour strike Thursday by air traffic controllers that shut down Italy's airports, Vatican officials were unable to give the exact time for the Mass.

Pitcher Dies in U.S. Game

MIAMI — An 18-year-old pitcher was killed in a softball league game Sunday when a hard line drive hit him in the chest and stopped his heart.



Javier Pérez de Cuéllar

Graham Denies Softening Criticism For a Chance to Evangelize Russia

From Agency Dispatches

NEW YORK — The Rev. Billy Graham, home from a trip to the Soviet Union, denied suggestions that he softened his criticism of Moscow's treatment of religious believers in order to improve his chances of returning to the Soviet Union to hold evangelistic rallies.

During his six-day visit to Moscow, where he preached to church gatherings and spoke at a disarmament conference, Mr. Graham stirred debate by saying he had seen no evidence of religious persecution by the Soviet government and observing that religious freedom was somewhat greater than he had expected.

At a news conference in New York on his return to the United States on Wednesday, Mr. Graham emphasized that in private meetings with top Soviet officials he strongly pressed the issue of human and religious rights, including the case of the six Siberian Pentecostals in refuge at the U.S. Embassy in Moscow.

He said he had not received an invitation to return to the Soviet Union as an evangelist, and he

firmly denied that his comments on the state of religion in the Soviet Union had been designed to improve his chances of preaching there.

Worship, Religion

The 63-year-old evangelist, who received the \$200,000 Templeton Prize for Progress in Religion from Prince Philip at Buckingham Palace after the Moscow visit, also sought to further clarify his position on the question of religious rights in Russia.

He said he believed that there was persecution of believers but that he had not personally observed any. He contrasted "freedom of worship," which he said was widely honored by the Soviet government, with the severe restrictions the authorities placed on "freedom of religion."

"It is well known that the Soviet Union closely regulates all organizations and movements, including religion," Mr. Graham said in a prepared statement. "There are certainly many who by the standards of our society do not have full freedom to express their criticisms of Soviet policy, and are considered lawbreakers if they do."

Mr. Graham blamed the controversy on a misunderstanding of his comments. He traced the problem to his response to a reporter who asked if he had personally witnessed any religious persecution.

Unpaid Airlines Press Tanzania

United Press International

DAR ES SALAAM, Tanzania — Major Western international airlines have threatened to suspend services to Tanzania because the nation's bank has failed to make good on hard currency payments for air tickets, airline sources said Thursday.

The airlines — British Airways, Swissair, Sabena, Alitalia, Air France, Lufthansa, KLM and Scandinavian — have not been paid for tickets issued locally during the past eight months.

Tanzania has a chronic shortage of foreign exchange and scores of factories have been forced to close due to the lack of imported raw materials and spare parts.

Scripture a Mistake

Mr. Graham said he made a mistake in one Moscow sermon by saying that God "gives you the power to be a better worker, a more loyal citizen, because in the 13th of Romans we're told to obey authorities."

"If I had to do it over again, I would not quote that scripture," he said.

Later Wednesday, police arrested 17 members of the Jewish Defense League who staged a sit-in at the offices of the World Council of Churches in Moscow.

Exiled Soviet writer Alexander I. Solzhenitsyn issued a statement against Mr. Graham on Wednesday, saying that while he was "visiting our free country," an aide of Mr. Solzhenitsyn was being harassed by police in Moscow.

He said that Sergei Khodrovich, 44, the head of Mr. Solzhenitsyn's Russian Social Fund, which dispenses aid to families of political prisoners, had been arrested and taken to prison with his hands bound.

Morgan Guaranty and IMF Official Fall for \$68,800 Fraud by Convict

By Joyce Wadler

Washington Post Service

NEW YORK — A convict in a Massachusetts prison, using a false identity, succeeded recently in obtaining \$68,800 in emergency funds from officials at two leading financial institutions.

The prisoner, Ali Kouhestanian, dealt with institutions such as Morgan Guaranty Trust Co. and the International Monetary Fund. Using a prison telephone, he spoke directly to Robert V. Lindsay, president of Morgan, and with Jan-Maarten Zegers, the IMF's special representative to the United Nations.

Mr. Kouhestanian had been convicted of stealing an automobile and was serving a sentence in the Middlesex County Jail in Billerica, Mass.

Speedy Service

An Iranian national, he told the financiers he was Sheikh Abdul Aziz Qurayshi, governor of the Saudi Arabian Monetary Agency. He said he was facing a sensitive personal problem, that of having a nephew in prison in Massachusetts. He said the youth needed money immediately.

Believing he was a client with whom it had dealt in the past, Morgan Guaranty sent \$18,000 to Mr. Kouhestanian's account with a bank in Boston. A few days later, another \$25,000 in cashier's checks was sent by mail directly to the jail.

After Morgan Guaranty learned

of the fraud, new charges were filed against Mr. Kouhestanian and he was sent to a New York City prison.

Awaiting trial, he called the IMF, saying that he had a nephew in a prison in New York City. As a result, Mr. Zegers personally delivered a \$25,000 check drawn on his own funds.

Mr. Kouhestanian was convicted of fraud in federal court May 10. Officials of Morgan Guaranty Trust who had authorized the cash transfer were unavailable for comment this week. A spokesman for Morgan, John Morris, said that the \$43,800 sent by his bank was not a loan. It was the question, he said, of someone posing as a client "dealing with the bank for an advance from his own account."

There had been no breakdown in policy, he insisted, for "it is policy to know your customer, and in this case we thought we knew our customer." But he acknowledged that the bank had been embarrassed by the transaction.

Other Fraud Attempts

Mr. Zegers of the IMF spoke this week of balancing his fear that there might be a fraud with his fear of "upsetting a very important financial personality."

According to court papers and the authorities, Mr. Kouhestanian attempted to defraud 14 institutions.

From August through December, 1981, he had made contact with 14 banks and tried to get

through to Alexander M. Haig Jr., Paul A. Volcker, who is the head of the Federal Reserve Board, and a Navy admiral.

His method, according to court records, was simple.

While he was in a Massachusetts prison in the summer and fall of 1981, Mr. Kouhestanian and a friend, Natalie Dodson, a part-time worker at Boston's University Hospital, placed calls to several banks.

Mr. Kouhestanian, as a prison inmate, was able to make only collect calls, but Miss Dodson had access to a conference call system.

Mr. Kouhestanian placed a collect call to Miss Dodson, and Miss Dodson placed a conference call to the banks. Mr. Kouhestanian identified himself as Sheikh Qurayshi, in need of funds for his nephew, "Ali Kouhestanian."

According to toll call records, the pair telephoned several banks, including Citibank and Chase Manhattan. The banks were not taken in by the fraud, and officials at Chase became suspicious enough to record calls. Chase also notified the FBI and other banks "that we thought we were being approached by a fraud."

Morgan never got the word. The bank eventually was able to recover most of the money, but testimony at the trial indicated that \$3,000 had gone toward a Mercedes for Mr. Kouhestanian, \$2,000 to one of his lawyers, and \$2,400 for a telephone bill.

While in the correctional center in New York, he approached Mr. Zegers, using the same technique. Mr. Zegers, though suspicious, arranged for funds, but because this was a "personal matter" and the monetary fund was an "inter-governmental group," he gave a friend of Mr. Kouhestanian a personal check. The check later was recovered.

Mr. Kouhestanian was found guilty last week of four counts of fraud and is facing a sentence of 20 years in prison. Miss Dodson was convicted of one count of fraud.

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Reagan Rebukes A Texas Critic of His Chief of Staff

Washington Post Service

WASHINGTON — President Reagan has sharply rebuked his 1980 Texas finance chairman, accusing him of leading a campaign of sabotage against the White House chief of staff, James A. Baker 3d.

"There has not been one single instance of Jim Baker doing anything but what I settle on as our policy," Mr. Reagan said in a letter to Clymer L. Wright, a prominent conservative fund-raiser, that was released Wednesday.

It was the president's first response to a growing movement on the far right to depict Mr. Baker, who was campaign manager for George Bush in the 1980 primaries, as a moderate who persistently undermines Reagan policies.

"The result... is to create the image of Ronald Reagan as a vacillating president who can't formulate a program and stick to it," Mr. Wright wrote in a letter to Mr. Reagan that was mailed Friday to early Reagan supporters and contributors.

Mr. Reagan responded: "Some in the media delight in trying to portray me as being manipulated. They do so because they are opposed to everything this administration represents.... Clymer, I'm in charge and my people are helping to carry out the policies I set."

India, China End Talks on Border; Gap Is Still Wide

Reuters

NEW DELHI — India and China ended four days of talks Thursday with basic differences over their 20-year border dispute still very wide, an Indian government spokesman said.

He said, however, that there had been some progress in discussions of how the dispute should be solved and that the two sides have agreed to meet again at a place and date to be decided. The first sessions on the border dispute were held in December in Peking.

Both countries recognize that the border question is central to normalizing relations, which have been strained since a three-week frontier war in 1962, he added. India wants the Chinese to withdraw from 14,000 square miles (37,000 square kilometers) of its territory in the northwestern Ladakh region, and the Chinese claim nearly 50,000 square miles of territory in northeastern India.

The spokesmen described the talks here as frank, friendly and wide-ranging. Apart from discussing the border issue, both sides studied ways to improve relations in the fields of trade, science, technology and culture.

When the talks ended, the chief Chinese negotiator, Fu Hao, met with P.V. Narasimha Rao, India's external affairs minister.

Haig Trip to Europe, Lacking Some Drama, Makes It Up in Humor

By Bernard Gwertzman
New York Times Service

WASHINGTON — Secretary of State Alexander M. Haig Jr. has returned from his latest overseas trip feeling very good — so good, in fact, that he is even telling jokes about his relationship with Defense Secretary Caspar W. Weinberger.

"You may have read in the papers about my differences with Cap," he tells people. "I must say they are absolutely wrong. In fact, we get along so well that when Cap and I are in Washington we have breakfast every week, alone — except for our tastings."

In Athens on Saturday, Mr. Haig, who spent most of last month flying between Buenos Aires and London, said all the traveling had given him such a bad case of jet lag that when he got off a plane one day, "I shook hands with my wife and kissed Cap Weinberger."

Mr. Haig's back in Washington after a week in Turkey, Greece and Luxembourg, seemed unusually relaxed on his Air Force 707 as it flew to Washington on Tuesday. His most recent travels, of course, lacked the drama of his monthlong effort to resolve the Falkland Islands crisis.

Banner Headlines

That is not to say that either the Turks or the Greeks thought Mr. Haig's mission unimportant. When he was in Ankara and Athens, the local press virtually ignored the Falklands and treated his visit as one of the most crucial in years. There were banner headlines in both cities over articles describing Mr. Haig's every move.

Athens Called Disappointed By Haig Visit

New York Times Service

ATHENS — The government is only partly satisfied by last week's talks with U.S. Secretary of State Alexander M. Haig Jr., according to Greek officials and Western diplomats. And a quick move by the Soviet Union to publicize support for Greek policies is being seen as an attempt to overshadow the good faith built up in recent months between Washington and Athens.

Greek officials said Wednesday that Mr. Haig disappointed the Greeks on some points, particularly the lack of a guarantee for Greece's borders. The Russians have since hastened to assert that they have supported the Greeks where Mr. Haig was unwilling to, by issuing a firm warning against any possible action from Turkey against Greece and Cyprus.

According to Greek officials, Mr. Haig promised the previous Greek government a year ago that he would grant the border guarantee by making a statement in the U.S. Congress affirming the validity of a 1976 letter in which Henry A. Kissinger, then secretary of state, pledged that the United States would "actively and unequivocally oppose" any armed action to settle disputes between Greece and Turkey.

Diplomatic sources said that, because of opposition from NATO countries — in particular from Turkey, which argues that such a statement would imply that Turkey was the potential aggressor — the United States was no longer willing to give such a pledge.

Warning by Moscow

Mr. Haig made this clear during his talks with Premier Andreas Papandreu. On Monday, a day after Mr. Haig left, the official organ of the pro-Soviet Communist Party in Cyprus reported that, two months ago, Moscow warned Turkey against any action that would heighten tension with Greece and Cyprus.

The Greek government confirmed and welcomed the warning, and said Moscow had informed it of the initiative at the time.

Western diplomats said the timing of the revelation was deliberate. "For the Greeks it served as a kind of message to Washington that Moscow was taking action where America was failing to," one said. "For the Russians it provides the opportunity to gain diplomatic advantage for themselves in Greece and to take the spotlight off the bridge building that the Socialist government has been developing with America."

Meanwhile, despite initial reports that Mr. Haig had been instrumental in persuading Turkish Premier Bulent Uenal to cancel a scheduled visit to Turkish-occupied northern Cyprus, Mr. Uenal announced Wednesday night that he was going ahead with the trip Thursday.

A Greek government spokesman called the visit a "blatant provocation." He said Greece was protesting to NATO and the European Economic Community and was considering requesting a meeting of the UN Security Council.



ARMS TALKS RESUME — U.S. negotiator Paul H. Nider, left, and his Soviet counterpart, Yuli A. Krivitskiy, shook hands Thursday before resuming talks in Geneva on medium-range nuclear weapons in Europe. The two sides, reportedly still deadlocked, were to meet again Tuesday.

New Military Cutbacks Rejected by U.S. Senate

Los Angeles Times Service

WASHINGTON — Despite the defection of 11 Republicans, the Senate has voted to support President Reagan's plan for military spending without any further reductions.

After a two-and-a-half-hour debate, the Senate voted 53-44 Wednesday night to kill an amendment that would have cut military spending by \$13.9 billion over three years. The measure, offered by Sen. Nancy L. Kassebaum, Republican of Kansas, was strongly opposed by the Reagan administration.

The Senate has been debating a Republican budget plan approved by Mr. Reagan that includes reductions of \$22 billion in military outlays from the figures originally proposed by the White House in February.

The president holds that any further cuts in his military spending program would be unacceptable, and his supporters in the Senate used strong language Wednesday in opposing the Kassebaum amendment.

"This amendment is wrong, wrong, wrong," said Sen. Barry M. Goldwater, Republican of Arizona. "This country is weak enough and can't afford to make itself any weaker."

Sen. Kassebaum responded by saying, "We are not as critical and analytical of our defense system as we should be."

A supporter of her amendment, Sen. Dale Bumpers, Democrat of Arkansas, said "the man in the street has lost his enthusiasm" for fast-growing military budgets because of the slump in the economy.

The administration attracted 14 Democrats to its position, combining their votes with 38 Republicans and an independent, Harry F. Byrd Jr. of Virginia, to make an easy victory. There were 33 Democrats and 11 Republicans voting for lower outlays as proposed by Sen. Kassebaum.

The victory on the military spending issue, even against Republican dissidents, demonstrated the strength of the administration forces in the Republican-controlled Senate. It seems likely that the basic Republican budget plan blessed by the White House will be adopted without significant changes.

As the Senate began voting on the budget, which projects a deficit of \$115 billion in fiscal 1983, \$91 billion in 1984 and \$64 billion in 1985, Republican leaders sought to fend off more amendments that would further cut military spending or restore money for deeply cut social programs.

The Senate defeated an amendment by Sen. Daniel P. Moynihan, Democrat of New York, to increase Medicare and Medicaid outlays beyond the budget proposal.

"We might lose our conservative supporters if we change any of the numbers at all. It's like walking through land mines," said Tom Griscom, an aide to Howard H. Baker Jr. of Tennessee, the Senate Republican leader.

Born-Again Guatemalan General Expects Aid From U.S. Christians

By Raymond Bonner
New York Times Service

GUATEMALA CITY — The three-man military junta has not asked for military or economic aid from the United States, primarily because the country has been offered millions of dollars by evangelical Christians in the United States, according to the president of the junta, Gen. José Efraín Ríos Montt.

With this money, he said, Guatemala will develop model villages and a social, political and economic system that will be neither Communism nor democracy. He labeled it communitarianism.

While not ruling out the possibility that the country might ask for U.S. economic aid in the future, Gen. Ríos Montt stressed that he did not need helicopters, weapons or any other type of military help to defeat leftist-led insurgents.

The only solution to the civil strife is love, the general, who is a born-again Christian, said during a recent interview. Representatives of Italian radio and television and the Swiss newspaper *Neue Zürcher Zeitung* were also present.

Proposed Aid

According to U.S. congressional and diplomatic officials, the Reagan administration proposes to send about \$2.5 million in spare parts for Guatemala's helicopters. By October, the administration also wants to provide \$50,000 for military training and \$50 million in grants to help the country with its balance of payments deficit.

Gen. Ríos Montt, 59, who came to power after a coup March 23, said there would be elections for a constituent assembly before the end of the year. The day after the interview, however, he told local reporters that the government had no election plans.

Asked if Communist parties would be permitted to take part in elections, he answered, "No. Guatemala's previous military government was widely considered one of the most repressive in Latin America. As a result, the U.S. Congress blocked military aid and permitted only minimal economic assistance."

Since Gen. Ríos Montt came to power, kidnappings and killings in the cities have declined dramatically and there is less repression of politicians, foreign correspondents and Roman Catholic priests. But diplomats, religious leaders and many Guatemalans assert that government forces are killing more peasant Indians, who make up about 60 percent of the population.

The general tried to avoid answering questions about human rights. When pressed about whether government forces continued to violate human rights in rural areas, he said, "Yes." But he quickly added, "As in all parts of the world." Asked about local newspaper reports of unarmed women and children being killed, he said, "It is a war, a permanent war."

Gen. Ríos Montt, who was wearing an army uniform over a bullet-proof vest, was most animated when talking about help from Christians in the United States.

According to the general, M.G. (Pat) Robertson, president of the Christian Broadcasting Network in Virginia Beach, Va., has offered to send missionaries and "more than a billion dollars."

(As the group's headquarters, Mr. Robertson said his organization sent \$350,000 to Guatemala for earthquake relief several years ago and "we hope that we would be able to give comparable assistance at the present time.") He said the network, which has annual revenues of \$70 million, planned to send a small team of medical and agricultural experts to Guatemala about June 1.

Gen. Ríos Montt called communitarianism "the human relation that does not come from Communism nor democracy but that is of the family, the sharing of everything, the working for the community."

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Reagan's Caribbean Aid Plan Is Amended by Senate Panel

Washington Post Service

WASHINGTON — The Reagan administration suffered a major setback in foreign-aid policy when the Senate Foreign Relations Committee transformed the president's Caribbean basin initiative into a multilateral program to be run by the World Bank.

The vote Wednesday shocked administration officials and the committee chairman, Charles H. Percy, Republican of Illinois, who was attempting to arrange reconsideration of the amendment.

Mr. Reagan's plan was a bilateral aid program in which the United States would send \$350 million this year to several Central American countries, including \$128 million to El Salvador. It was a pet project for the White House.

Sen. Christopher J. Dodd, Democrat of Connecticut, introduced the critical amendment, changing the plan from a bilateral program to a "trust fund" to be operated by the World Bank. Sen. Dodd argued that this would make other countries more interested in participating as donors.

At first Sen. Dodd was defeated on a tentative vote, but when the committee regrouped, his amendment carried, 9-8. Sen. Charles McC. Mathias Jr., Republican of Maryland, provided the key vote.

Sen. Percy contended that Sen. Mathias had misunderstood the impact of the Dodd amendment and insisted that the committee should reopen the entire bill, which passed 16-1. Sen. Dodd said reconsidering the measure would amount to "aborting the system" by which the committee votes.

The administration had promoted the Caribbean basin measure vigorously for months, arguing that it was necessary to give immediate aid to hard-pressed Central American countries. With more than a third of the money destined for El Salvador, critics contended that the measure was a cover for pumping more money into a country the administration considers a key to stopping Communism in Latin America.

Wednesday night's turnaround was especially dramatic because the administration consistently has sought to reduce the amount of foreign aid passing through such multilateral organizations as the World Bank. It favors direct bilateral aid controlled from Washington.

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U.S. Doctors Say Male Hormones May Help Develop Spatial Skills

By Christine Russell
Washington Post Service

WASHINGTON — Male sex hormones may play a crucial role in development of certain human intellectual skills, according to a new U.S. study with potentially important implications.

The findings are likely to fuel an ongoing debate about the degree to which intellectual differences between men and women are biologically based. Men traditionally score higher in measures of spatial and mathematical ability, while women outperform men on verbal tests.

The scientists who published the research in the current New England Journal of Medicine sought to minimize any conclusions about sex differences, saying that "this study doesn't settle the debate."

In addition, Harvard psychologist Jerome Kagan, in an editorial in the same issue of the journal, cautioned against using the new study as proof of inherent differences between the sexes in spatial ability, saying that expectations about the abilities of women in our culture may play a far greater role.

The study found that men afflicted with a disorder that dramatically lowers the levels of male sex hormones during the teen years display poorer spatial reasoning ability than men who entered puberty with normal hormone levels. It concluded that androgens, the sex hormones found in higher levels in men, exert a permanent organizing influence on the brain before or at puberty in boys.

Ability to Visualize

The ability to visualize objects in space and mentally rotate or manipulate these objects is thought to be correlated with skills needed in such fields as mathematics, engineering, physics, architecture and design.

ences between someone who works well in engineering or physics vs. someone who writes — for example, "an Einstein vs. a Shakespeare."

He shied away from using this study to explain the differences between men and women. "You have to be very cautious in drawing conclusions about sex differences. There clearly are differences. Sex hormones could be one factor that plays a role in sex differences that have already been observed."

It is true that women have lower levels of androgens than men, but scientists cannot jump to the conclusion that this is the explanation for measured differences on intellectual tests, cautioned Dr. Hier.

This view was seconded by Georgetown University physiologist Estelle Ramey, a well-known researcher and feminist, who said: "There are physiological differences between men and women that relate to hormones. Those differences are largely reproductive, but there are some differences that relate to brain organization as well as muscle performance. But these differences are small as compared to the effect of environmental differences. I think that's the critical point."

In the study, 19 men with a disorder known as "idiopathic hypogonadotropic hypogonadism" — who fail to undergo normal puberty and have significantly reduced levels of male hormones — were compared with a control group of normal men and a third group of men who had acquired the disorder later in life.

As a group, the 19 were found to have markedly impaired spatial ability. Researchers found that receiving hormone treatment after puberty did not affect spatial reasoning. There was no difference among the three groups in verbal ability.

Japanese Have World's Highest IQ Test Scores

The Associated Press

NEW YORK — The Japanese score higher on standardized intelligence tests than does any other people, and the edge has increased steadily since the end of World War II, according to a study published in Nature magazine.

The article in the May 20 issue said the mean Japanese IQ is 111, compared with 100 in the United States.

"Since intelligence is a determinant of economic success... the Japanese IQ advantage may have been a significant factor in Japan's outstandingly high rate of economic growth in the post-World War II period," said the study conducted by Richard Lynn, a psychologist at the University of Ulster in Londonderry, Northern Ireland.

Previous studies have consistently shown the Japanese scoring higher on IQ tests than Americans and Europeans. The Lynn study is significant because it documents a sharp increase in mean Japanese IQ scores since the war.



THE GATHERING STORM — Prime Ministers Malcolm Fraser of Australia, left, and Pierre Elliott Trudeau of Canada clowning for photographers in Ottawa. The two met to discuss the coming seven-nation economic summit.



Air Controllers Strike Stops Flights in Italy

Reuters

ROME — All civil flights to and from Italy were suspended Thursday until midnight as air traffic controllers began new strikes over contract renewals.

Airport officials said most international flights had been canceled and intercontinental arrivals and departures had been rescheduled. Traffic will be stopped again Friday morning by a ground staff strike in Rome.

Spanish Socialists Appear Set for Victory Over Ruling Centrists in Regional Election

Reuters

MADRID — Spain's ruling centrist party faces a potentially crippling defeat at the hands of the opposition Socialists on Sunday in a regional election widely viewed as a dress rehearsal for forthcoming general elections.

The timing of the voting for a new autonomous parliament in Andalusia in southern Spain could hardly be worse for the Union of the Democratic Center, the party in power since 1977.

Tension has been high for three months as a military tribunal has tried 32 officers and one civilian charged in connection with an attempted rightist coup last year.

Military Reaction Feared

The political establishment fears the reaction in the armed forces if the tribunal hands down the 30-year prison sentences that the prosecution is demanding for the three main defendants.

These jitters are compounded by concern that the separatist Basque guerrilla organization ETA could choose the moment of a verdict to launch a major new assassination campaign against the security forces.

In mid-April, ETA (an acronym for Basque Homeland and Liberty) said that if Spanish security forces did not evacuate the Basque country in one month, the group would attack police and Civil Guard barracks with heavy weapons.

[On Wednesday, a police post at Baracaldo in northern Spain was attacked with a grenade and machine-gun fire from a speeding car. The Associated Press reported. One policeman was wounded in the attack, which was thought to have been carried out by Basque separatists.]

The World Cup soccer championship starts in Spain on June 13, and the last thing the beleaguered government needs is a flare-up of urban guerrilla activity.

Socialists May Win Majority

Recent opinion polls point to a majority victory by the Socialist Workers Party in voting for a new 109-seat Andalusian Assembly. The Socialist leader, Felipe González, and his deputy, Alfonso Guerra, are both from the region.

A big Socialist victory seems certain to increase pressure for early general elections and would probably also prompt new defections from the centrist party.

Belgrade Jails 2 Albanians

The Associated Press

BELGRADE — Two ethnic Albanians were sentenced to jail terms of five and four years respectively for spreading propaganda hostile to Yugoslavia, the Belgrade newspaper Politika Ekspres reported Thursday.

like-minded centrist party members.

Andalusia is the fourth of Spain's regions to vote for its own local parliament in line with the decentralization process started by the democratic authorities after the death of Franco in 1975. The centristists have lost all the local elections so far — Galicia to Mr. Fraga and the Basque and Catalan ballots to local nationalist parties in 1980.

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Crisis in Technology Is Predicted French Center Sees 'Army' of Displaced Workers

By Thomas W. Lippman
Washington Post Service

WASHINGTON — Members of two House subcommittees have heard apocalyptic predictions of the world's falling into chaos as tens of millions of workers are displaced by fast-changing technology.

Jean-Jacques Servan-Schreiber, French author and politician and head of France's controversial new World Center for Microcomputer Science and Human Resources, said that more than 30 million people are unemployed in the industrialized nations and that by the end of the 1980s, at least 25 million more jobs will be lost and "an army of 50 million jobless will appear on the horizon and signal a situation of discouragement and possibly despair."

Members of two subcommittees of the House Committee on Science and Human Resources listened attentively to Mr. Servan-Schreiber's predictions on Wednesday.

Mr. Servan-Schreiber said computerized access to electronic telecommunications and information systems would enable displaced workers to learn new skills, give Third World nations access to technology and enable the world

to keep up with an economic system that is changing "exponentially."

His goal of making technology accessible through international cooperation is shared by the World Center scientists who joined him at the witness table.

They were Nicholas Negroponte, professor at the Massachusetts Institute of Technology, who is on a two-year leave to serve as the World Center's executive director; Seymour Papert, a South African expert on computer programs for children and former assistant director of MIT's artificial intelligence laboratory; Edward Ayensu, a Ghanaian biologist who was director of the Smithsonian Institution's Office of Biological Conservation; Raj Reddy, a native of India and former head of the Robotics Institute at Carnegie-Mellon University in Pittsburgh; and Samuel Pissar, an international lawyer and author who was made a U.S. citizen by a special act of Congress.

The presence of those scientists on the staff of the French government-sponsored World Center has stirred charges in the scientific community that the French are buying American scientific talent

in a "reverse brain drain" and that the center, in the words of Rep. Albert A. Gore Jr., Democrat of Tennessee, who presided at the hearing, is "a stalking horse for the French electronics industry."

All the scientists said there was no truth to the charges.

"This is not intended to be a French institution," Mr. Pissar said. "It is worldwide in scope, a catalyst that might do something about pulling the industrialized world out of bankruptcy and the Third World out of misery."

In the face of potential worldwide economic disruption, "there is no time for nationalism, isolationism or protectionism," Mr. Servan-Schreiber said.

Rep. Gore suggested that developing countries aided by the center might want to equip themselves with the "hardware," computer equipment, to which they are accustomed, but Mr. Servan-Schreiber replied, "They are accustomed to no hardware," which, in his view, is their problem.

In a test project to be set up to bring computerized learning to Senegal, the computers to be used will be manufactured not by a French company, but by Apple, an American company, he said.

Korean DMZ: A Deadly Avenue for Defectors

By Henry Scott Stokes
New York Times Service

WASURI, South Korea — A defector from North Korea stood on the southern border of the demilitarized zone near here recently, looking north across a no-man's-land of grasses and reeds two and a half miles wide.

The defector, Kim Yong Joon, 31, had returned to the area he crossed in the early morning of Jan. 7, wanting to see again the men who had given him refuge.

Mr. Kim, who accompanied South Korean officers on a five-hour tour along the zone that divides North Korea from the South, may be one of the last to have made his way through an obstacle that has been made increasingly difficult to cross.

Late in April, North and South Korean forces traded fire for four hours near here after four men, apparently defectors from North Korea, were spotted in the zone. Some bloody clothing was retrieved in the morning from the southern side. The four men, or their bodies, were gone.

Stronger Barriers

Over the years, North Korea has reinforced barriers to prevent defections, adding an electric fence along the full 155 miles (250 kilometers) of the demilitarized zone, bigger anti-personnel mine fields and, most recently, a series of towers.

The new devices serve a defensive purpose also, but their main function, according to Gen. John A. Wickham Jr., the United States commander in South Korea, is to halt defectors.

The southward flow of defectors has been reduced to a trickle in recent years. The South Korean De-

fense Ministry said about 750 had defected since the Korean War ended with the cease-fire of 1953, but that only 11 of these had made it across the demilitarized zone since the early 1970s. Many others were killed on the way.

"The DMZ may now have been hermetically sealed from the north," said Park Shin Il, an information official.

By contrast, the few defectors from South Korea, mainly soldiers serving at the front, face fewer obstacles on the southern side of the zone. Since mid-1980, six men have defected to the North compared with five coming the other way. Those who cross in either direction are rewarded with hero status and special privileges.

Desolate Spectacle

Visitors to the central part of the front near Wasuri can see wire fences, built since the late 1960s, that run across valleys and up 40-degree hillsides all across the peninsula, like giant caterpillar tracks.

The demilitarized zone is a desolate spectacle, physical evidence of the deep divisions between North and South Korea, despite appeals by both sides for talks on unification.

At night, loudspeakers open up on both sides. Northerners denounce President Chun Doo Hwan of South Korea as a "fascist murderer," and the Southerners urge Northerners to defect to a better life. When the wind blows north in spring, South Korea sends balloons laden with transistor radios to tempt the Northerners, but it is virtually impossible for them to reach South Korea.

In January, Mr. Kim made it, physically exhausted by three nights without sleep and aid, he said, by much luck.

First came a harrowing journey south by train without travel papers from the northernmost part of North Korea, near the Manchurian border.

Then came the obstacles on the northern side of the demilitarized zone, all negotiated in darkness. The North Korean electric fence "seemed to be switched off," he said, and he encountered no patrols. He said he suspected, on the basis of his own army experience, that the guards were asleep at the time in their foxholes and guard posts.

As for the mine fields, he said he managed to thread his way through "by keeping to solid rock," and "following worn paths," tracks of bare mud made by deer or by patrols. Patrolling is allowed in the demilitarized zone under the 1953 armistice agreement.

The defector ended his journey at a southern fence, face down on the frozen earth, with a South Korean soldier training a rifle at his back.

Mr. Kim, who was a repairer of agricultural machines, decided to defect, he said, out of anger over suddenly being assigned to a remote chemical plant.

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ATTENTION: Michael LEE
RE: Mr. Francis LEE

Please note that the above named defendant was on the 23rd of January, 1982 at St. James Hospital, Bolton, Lancashire. Please contact the following law office in order to expedite the winding up of the deceased's estate.

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(Continued on Page 14)

Hong Kong Calls Textile Talks Crucial

By David Stamp

HONG KONG — Failure of textile talks between Hong Kong and the European Economic Community next month could severely disrupt international trade, Hong Kong's trade commissioner, Lawrence Mills, said Thursday.

In an interview, Mr. Mills warned that if the talks, which begin June 1 in Brussels, do not bring an agreement on the level of cuts in Common Market imports of Hong Kong textiles, two major trade agreements could collapse. If that happened, he said, "the whole fabric of international trade is going to be ripped apart."

Both Hong Kong and the EEC were among the signatories last December of an extension of the Multi-Fiber Arrangement. Under the agreement, governments are allowed to negotiate quotas on their textile imports with individual producer nations.

However, the Common Market has said it will withdraw from the MFA unless it obtains by September what it calls "acceptable bilateral agreements" on further cuts in the quotas. These are aimed at protecting the EEC's recession-hit clothing makers from competition from developing nations.

EEC Demands

Mr. Mills said that the EEC and Hong Kong were still some distance apart after informal talks were last month. The Europeans' demands include a 10-percent cut in export quotas for the major supplies — Hong Kong, Taiwan, South Korea and Mexico — and limits on annual quota increases.

He said the stability of the MFA was vital to the General Agreement on Tariffs and Trade, which covers wider trade issues.

"If the MFA disappears, obviously the EEC is still going to take some form of import action. Either it will just go ahead and do it in total disregard of the law, or it will seek to justify its selective restrictions under the GATT," he said.

But if the EEC applied restrictions universally, as GATT requires, it could expect rapid retaliation from nations such as the United States, and serious damage to international trade would result, Mr. Mills said.

Jury Awards Investor \$1.1 Million from Hutton

The Associated Press

CHICAGO — A jury has awarded an investor more than \$1 million from E.F. Hutton Group and one of its former salesmen who was alleged to have excessively traded the customer's account in order to generate commissions.

The award Wednesday by a circuit court jury here included \$1 million in punitive damages against Hutton, \$100,000 in actual damages against the investment firm and \$3,000 in punitive damages against the former salesman, Paul G. McBride, said Joel Bellows, lawyer for plaintiff Edwin W. Dato.

A Hutton spokesman called the punitive damages "totally unjustifiable" and said the broker would appeal.

Mr. McBride was charged with "churning" the account, which was defined as "trading a customer's account excessively to generate commissions rather than to earn profits for the customer."

Mr. Bellows said witnesses testified during the trial that a commodities account opened by Mr. Dato in February, 1973, plummeted from \$300,000 to \$25,000 during a 15-week period beginning in October of that year.

Mr. Dato charged that unscrupulous overtrading by Mr. McBride caused the loss, Mr. Bellows said.

Hutton's lawyer in the case, David A. Epstein, said the defense contended that "the customer was pushing McBride, or doing the trading himself."

"The effect of this decision is to tell brokers and account executives they have a duty to stop their customers from trading excessively," Mr. Epstein added.

Analysts, Pointing to Copper's Low Prices, See Big Potential for Profits in a Recovery

By Karen W. Aronson

New York Times Service

NEW YORK — Industrial metals have been one of the most depressed sectors of the U.S. economy, but they could present some opportunities for profit in a recovery. Although metal prices are still exceptionally low, analysts say it is not too early to start watching the metal markets and maybe to start building a position.

Of the metals traded on the commodity futures markets, copper is the one tied most closely to the economy. Its price tends to rise and fall almost entirely on the outlook for industrial demand. By contrast, gold is generally traded largely for speculative purposes. Silver and platinum prices have also been strongly influenced by speculation in recent years, although both metals are also used in industry.

Copper prices are still quite depressed. Production costs are usually estimated at 80 to 85 cents a pound, while the spot price for copper now is only about 69 cents a pound. Prices in the futures markets are also quite weak. But these

prices could take off once a recovery seems ready to materialize.

"An economic recovery would reawaken demand for copper and in all likelihood would do it in a sizable way," said Jack Boyd, a vice president in commodity research at Drexel Burnham Lambert.

Question of Timing

Perhaps the biggest problem for the potential investor in copper is the question of timing. Jumping in too early could bring losses if copper prices fall before they rise. But the investor who waits too long could miss much of the move in the metal, particularly if the recovery is not sustained.

Metals experts say they have begun to notice some preliminary signs of a potential turnaround.

"In just the last couple of weeks there has been some anticipatory movement in copper," Mr. Boyd said. That sent copper prices for the May contract from their low of 66 cents a pound in early April to 73 cents a pound by May 7. But prices fell again, to around 68 cents.

Elliot J. Smith, president of

Drysdale Scare Underlines Risks Of Juggling Government Securities

From Agency Dispatches

NEW YORK — Fears have subsided that a small securities firm's failure to come up with about \$200 million in interest payments this week would push other firms to the brink. But the affair has raised numerous questions about the risks of juggling billions of dollars of U.S. Treasury bonds and notes to pull in profits on short-term fluctuations in interest rates.

One of the biggest questions is how a securities firm that opened its doors in February with about \$25 million in assets and 30 employees could grow so fast and get into so much trouble that by May its problems could threaten the solvency of major brokerage houses.

The firm, Drysdale Government Securities, set off a furor this week when it failed to make interest payments on securities it had borrowed. Chase Manhattan Bank,

which acted as the middleman in the lending of many of the securities, at first denied that it was liable for Drysdale's obligations. But on Wednesday Chase agreed to make the payments. Manufacturers Hanover Trust, also involved in transactions involving Drysdale, made a similar pledge.

Chase's Fear

That apparently eliminated the immediate risk of a domino-like string of failures by firms that might not have been able to satisfy their obligations because Drysdale failed to pay them.

Chase officials said privately that they agreed to pay \$160 million in interest payments owed by Drysdale to about 30 brokerage firms because they feared Drysdale's inability to pay its debts could force several brokerage firms out of business. Chase, the third-largest U.S. bank, said that, based on what it now knew, the mopping up would reduce second quarter after-tax income by \$135 million.

Drysdale, meanwhile, has been lying low. On Wednesday, the firm issued a statement saying that it was not bankrupt but had halted trading. A bankruptcy would have prevented Chase from taking over and paying the bills and could have pushed several brokers to the brink of insolvency, government and securities industry officials said.

Drysdale's president is Richard Taffe, who has spent 20 years in the bond business and was an executive at Kidder Peabody & Co. before joining Drysdale. Within four months of opening, the firm was trading government securities worth at least several billion dollars and doing business with the biggest banks and brokers on Wall Street.

Not 'Owning Up'

"Others besides Chase and Manufacturers had to be dealing with them directly," said a top official at one brokerage firm. "It's just that nobody's owning up to it."

So far Wall Street sources are ascribing the collapse of Drysdale to bad business judgment rather than to improper trading. Said a source close to the company: "Every asset is there. Everything is accounted for. All the receipts are there. Every security has been found."

Drysdale had borrowed an estimated \$4.5 billion in government bonds and notes. As part of the arrangement, it also agreed to turn over the interest due on the securities — through Chase — to the original owners. Wall Street's big securities firms. But Drysdale is believed to have used the interest to speculate on the market and, because of reverses, found itself unable to pay the interest when it came due.

Such financings — known as repurchase agreements, or repos — are standard procedure in the government securities market, but, as the Drysdale fiasco showed, they are not without risk, even though the underlying Treasury securities are of the highest quality.

"The lesson is one that people know: You have to be careful in credit appraisals of your customers," said Arthur Kalita, executive director of the Public Securities Association, a trade group whose members include government securities dealers. "Risk management is extremely important in highly liquid, volatile markets."

In the government securities business, volatility has become a

byword in recent years and has encouraged the rapid growth of short-term financing. For banks, the use of Treasury securities as collateral to arrange loans from businesses and others with spare cash to invest has been the fastest-growing source of funds in recent years. Combining those borrowings with other overnight loans, large banks now roll over more than \$100 billion of debt a day, up from less than \$25 billion eight years ago.

Despite the billions of dollars of such transactions outstanding, analysts say that the legal status of the securities underlying a repurchase agreement is unclear. Do they belong to the party who sold them and agreed to repurchase later? Or do they belong to the party that purchased them temporarily?

Analysts also are asking whether Chase, as the middleman, is legally liable for the missed interest payments. Although it agreed to meet the payments out of its own pocket, Chase conveyed the right to sue later to recover its losses.

And they are asking whether another Drysdale could happen. The answer is probably yes, dealers say, noting that this is not the first time a firm has got in trouble in the repo market. In 1975, for example, there was the case of the Financial Corp. of Kansas City, which eventually went bankrupt after financing about \$1.8 billion of government securities via repos.

Dealers in Treasury securities concede that they cannot always know exactly what trades a customer is making with other firms, but they say that is not enough of a reason to impose stricter regulations on the market.

"The human desire to become rich beyond all dreams of avarice will always be there," said Ralph Peters, chairman of Discount Corp. of New York, a government securities dealer. "Each firm has to be guided by rules of common sense" in overseeing its customers.

The effect on Chase also is another question. Some analysts estimated that Chase's covering of the payments might cause it to have a second quarter loss of \$35 million, compared with previous estimates of earnings of around \$100 million.

BUSINESS PEOPLE

J. Russell Marsden, currently vice president, Southern Europe, of Procter & Gamble, has been named vice president, Japan. He will be succeeded in the European position by Malcolm Jozoff, currently vice president, packaged soap and detergent. Mr. Marsden will be based in Osaka, and Mr. Jozoff in Brussels.

A director of Gervard & National, Brian Williamson, has been appointed managing director of GNI, a joint venture with Inter-Commodities being set up to trade financial futures in London.

Continental Illinois International Investment has announced that Joseph Shabazz, currently representing the Continental Illinois Corp. unit in Miami, has been named a vice president. In London, John Gilling and Willy Tong have been promoted to second vice presidents.

Xerox Changes Leaders at a Crucial Time

(Continued from Page 13)

so that a single salesman can handle all the needs of a large corporate client.

But such reorganizational efforts are bound to put further pressure on Xerox's short-term performance. Mr. Kearns said that "1982 and 1983 will not be easy profit years for Xerox." Mr. Kearns said he did not expect the office automation business to become profitable until 1984.

Many Similarities

Mr. Kearns, who was vice president of IBM's data processing division before joining Xerox, is said to be similar in many ways to Mr. McCollough. Both have a marketing orientation and are said by associates to have agreed on most decisions. Both are polite and eloquent.

Mr. McCollough, however, is described as being more prone to stand back and take a broad view of the company, while Mr. Kearns is described as an aggressive type who likes to get directly involved in daily activities.

During Mr. McCollough's tenure

as chief executive, the company grew from \$500 million in revenues in 1968 to \$8.7 billion last year. Its net income has increased year by year, except for 1975.

Mr. McCollough is credited with establishing Xerox's sales force, which propelled its rapid growth. He is also credited with realizing early that Xerox would have to go into electronic information processing because the use of paper would gradually give way to the use of computer terminals.

But while his vision might have been good, the implementation was poor. In 1969, Xerox paid nearly \$1 billion to acquire Scientific Data Systems, a computer company, only to have to abandon the effort and take an \$84-million write-off in 1975. Its word processors fared poorly. Last year, Xerox abandoned an idea for a telecop communications service after having invested \$30 million in it.

Problems are continuing at the Dallas-based Office Products division, which lost an estimated \$50 million to \$100 million last year. The personal computer, intro-

duced a year ago, has not done well in computer stores.

Still, Xerox has also come forth with some innovative and competitive products and is expected to eventually prove successful in office automation. "When I'm asked about Scientific Data Systems, I have usually said, 'Yeah, that was a mistake,'" Mr. McCollough said. "I think, as a matter of fact, that we got tremendous value out of SDS. I don't think we'd be anywhere near where we are today if we hadn't acquired the company."

It is harder for Mr. McCollough to be apologetic about the company's failure to notice the Japanese move into the copier business in the mid-1970s.

Xerox kept its prices too high, letting Japanese companies establish a beachhead in small copiers. Now the Japanese copier companies, such as Canon and Ricoh, are moving into more profitable medium-sized copiers, while Eastman Kodak has mounted a challenge to Xerox's largest copiers.

The company has countered with its cost reduction program and by introducing low-priced copiers made by Fuji Xerox, its Japanese affiliate.

Monica H. Canahort, manager of copying and duplicating industry service for Dataquest, predicts that Xerox will succeed in stabilizing its share of the market but not before it slips a few more points. Copying still accounts for 75 percent of Xerox revenues and 90 percent of its profits. The plain-paper copying business that made Xerox a household name is still growing at 19 percent a year, according to Dataquest.

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated.

Belgium

Kredietbank

Year 1982 1981

Revenue 588,000 465,900

Profits 1,740 1,740

Canada

Nu-West Group

1st Quarter 1982 1981

Revenue 146.6 146.6

Profits 21.1 8.22

Per Share 0.15 0.15

Japan

Hitachi

Year 1982 1981

Revenue 2,141 1,947

Profits 64,780 61,850

Honda Motor

Year 1982 1981

Revenue 1,383 1,476

Profits 65,490 77,880

Per Share 89.03 106.98

United States

Campbell Soup

3rd Quarter 1982 1981

Revenue 722.2 704.0

Profits 33.10 29.65

Per Share 1.03 0.92

4 Months 1982 1981

Revenue 2,280 2,190

Profits 119.28 104.02

Per Share 3.70 3.28

International Harvester

2nd Quarter 1982 1981

Revenue 1,450 1,428

Profits 103,176.4 103,176.4

Per Share 1.03 1.03

4 Months 1982 1981

Revenue 2,461 2,461

Profits 108,477.2 108,477.2

Per Share 3.67 3.67

West Germany

IBM Deutschland

Year 1981 1980

Revenue 7,900 7,360

Profits 540.00 587.00

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société anonyme

Siège social: LUXEMBOURG, 14, rue Aldringen.

Registre de Commerce: LUXEMBOURG Section B n° 6.177.

Messieurs les Actionnaires sont priés d'assister à

l'ASSEMBLÉE GÉNÉRALE ORDINAIRE

qui se tiendra au siège social à Luxembourg, le 7 juin 1982,

à 15.00 heures, pour délibérer sur l'ordre du jour ci-dessous:

ORDRE DU JOUR

1. Rapports du Conseil d'Administration et du Commissaire aux Comptes;

2. Présentation et approbation du bilan et du compte de profits et pertes au 31 mars 1982;

3. Décharge à donner aux Administrateurs et au Commissaire aux Comptes;

4. Nominations statutaires;

5. Divers.

Messieurs les Actionnaires qui désirent assister à l'Assemblée ou s'y faire représenter doivent, au moins 5 jours avant l'Assemblée, adresser au Conseil d'Administration de leur intention de déposer dans le même délai leurs titres auprès d'une banque.

Les procurations doivent être déposées au siège social au plus tard 2 jours avant la date de l'Assemblée.

Le Conseil d'Administration



EGYPTIAN GENERAL PETROLEUM CORP.
(E.G.P.C.)

INVITATION TO INTERNATIONAL TENDERS

EGPC has obtained a loan from the World Bank for Abu Qir Gas Field Development, Phase II project.

Western Desert Operating Petroleum Company "WEPCO", on behalf of EGPC invites tenderers to submit their quotations for letting two Tug/Anchor handling and supply for drilling activities back up.

Tender Documents can be withdrawn from WEPCO Office, Alexandria as from Sunday, May 23rd, 1982 against payment of E.E.20.- or U.S. \$30.

Closing date for submitting offers is noon Sunday 4th, July 1982.

Those interested should contact:

The Operations Manager - WEPCO - Safia Zaghloul Str.,
Borg El Saghr Building - P.O. Box 412 - Alexandria,
Egypt - Telex 54075 UN.



EGYPTIAN GENERAL PETROLEUM CORP.
(E.G.P.C.)

INVITATION TO INTERNATIONAL TENDERS

Reference is hereby made to the ad published on May 10th, 11th and 12th re quotation required for VAM Thread - 2800 Joints of 3 1/2" Tubing. Tenderers are requested to submit their quotations in a sealed offer.

Closing date and bids opening remain unchanged Monday, June 21st at noon.

TRANSPACIFIC FUND

Société Anonyme
Registered office: LUXEMBOURG, 14, rue Aldringen.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of shareholders of Transpacific Fund will be held at its registered office, 14 rue Aldringen, Luxembourg, on Tuesday, June 1, 1982, at 11:00 a.m., to discuss and vote upon the following agenda:

1. The report of the Board of Directors for the financial period ended 31st March 1982;
2. The report of the auditors;
3. The accounts for the financial period ended 31st March 1982;
4. The allocation of the net profit, and the determination of amount and date of payment of the dividend;
5. Quotas of the directors and the auditor for the financial period ended 31st March 1982;
6. Statutory nominations;
7. Other matters.

The resolutions on the agenda of the Annual General Shareholders Meeting do not require a specific quorum and will be adopted if approved by a majority of the shares present or represented.

To attend the Annual General Shareholders Meeting of June 1, 1982 the names of owners of registered shares should be recorded in the company's register of shareholders five working days prior to the Meeting and owners of bearer shares should deposit their shares at least five working days prior to the meeting with one of the following banks:

Banque de Neulise, Schlumberger, Malet,
3 avenue Hoche, Paris 8^e,
Algemeene Bank Nederland N.V.,
32 Vijzelstraat, Amsterdam;
Bank Mees & Hope N.V.,
548 Herengracht, Amsterdam C;
Banque Générale du Luxembourg S.A.,
14, rue Aldringen, Luxembourg;
Société Bancaire Barclays (Suisse) S.A.,
6, place de la Synagogue, Genève.

THE BOARD OF DIRECTORS

TRANSPACIFIC FUND

Société Anonyme
Registered office: Luxembourg, 14 rue Aldringen

NOTICE OF AN EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

An Extraordinary General Meeting of Shareholders of Transpacific Fund will be held at its registered office, 14 rue Aldringen, Luxembourg, on Tuesday June 1, 1982, immediately following the Annual General Meeting of Shareholders which will start at 11:00 o'clock.

The agenda will be as follows:

1. Amendment of article 8 - paragraph 2 - of the statutes to change the date of the Annual General Meeting of Shareholders to the last Tuesday of the month of July beginning with the Meeting to be held in 1983. The rest of the article remains unchanged.
2. Amendment of article 18 - paragraph A - section 2 - line 2 - of the statutes to read:
"The value of all securities (shares, bonds, subscription rights or warrants) for which there exist market quotations will be fixed according to the most recent selling price available on valuation day on the principal exchange where the securities are quoted, or... (the rest of the sentence is unchanged)."
3. Other matters.

The resolutions on the agenda of this Extraordinary General Meeting require a quorum of at least 50% of the shares in circulation. They will be adopted only if approved by a majority of two thirds the shareholders present or represented.

To attend the Annual General Meeting of Shareholders of June 1, 1982, owners of registered shares should have their names recorded in the company's register of shareholders five working days prior to the Meeting and owners of bearer shares should deposit their shares at least five working days prior to the Meeting with one of the following banks:

Banque de Neulise, Schlumberger, Malet,
3 avenue Hoche, Paris 8^e,
Algemeene Bank Nederland N.V.,
32 Vijzelstraat, Amsterdam;
Bank Mees & Hope N.V.,
548 Herengracht, Amsterdam C;
Banque Générale du Luxembourg S.A.,
14, rue Aldringen, Luxembourg;
Société Bancaire Barclays (Suisse) S.A.,
6, place de la Synagogue, Genève.

THE BOARD OF DIRECTORS

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BANCO REAL

The bank that does more for its clients.

NYSE Nationwide Trading Closing Prices May 20

(Continued from Page 14)

[illegible]

May 20, 1982

prices in local currencies)

[illegible]

Closing prices, May 20, 1982

[illegible]

NEW YORK — Moody's Investors Service has lowered its ratings on Bethlehem Steel's five senior debentures and three pollution-control revenue bonds to BAA-1 from A-3. It also said Thursday that it was lowering the rating on Bethlehem's 4½-percent subordinated debentures, due 1990, to BAA-2 from BAA-1.

Moody's said it expects that difficult conditions in the domestic steel industry will allow only modest profitability and margins of debt protection over the intermediate term.

LONDON.—The acquisition by British Aerospace of some Sperry assets will not be referred to the Monopolies and Mergers Commission, the secretary of state for trade said.

British Aerospace announced last month it had agreed conditionally to buy the Sperry Gyroscope Division for £45 million. The unit's principal customer in recent years has been the British Defense Ministry.

Results

FRANKFURT — Money supply growth in April exceeded the 1982 target ceiling of 7 percent at an annual rate, the Bundesbank said in its monthly report Thursday.

The central bank's money stock rose 1.2 billion Deutsche marks to 168.5 billion DM in April, representing annual growth of around 7.5 percent from the average level of 1981's fourth quarter. Growth in March and February was at the top of the Bundesbank's target of 4 to 7 percent, after standing near the bottom of the range in January. Last year, money stock growth fell below the target.

TOKYO—General Motors and Toyota Motor ended their second round of talks on joint production of compact cars in the United States without reaching any concrete agreement, a Toyota spokesman said Thursday.

The spokesman said the talks had "proceeded smoothly."

He said Jack Smith, GM's director of worldwide product planning, met with top Toyota officials for four days in Tokyo last week. The first round of talks was held in April.

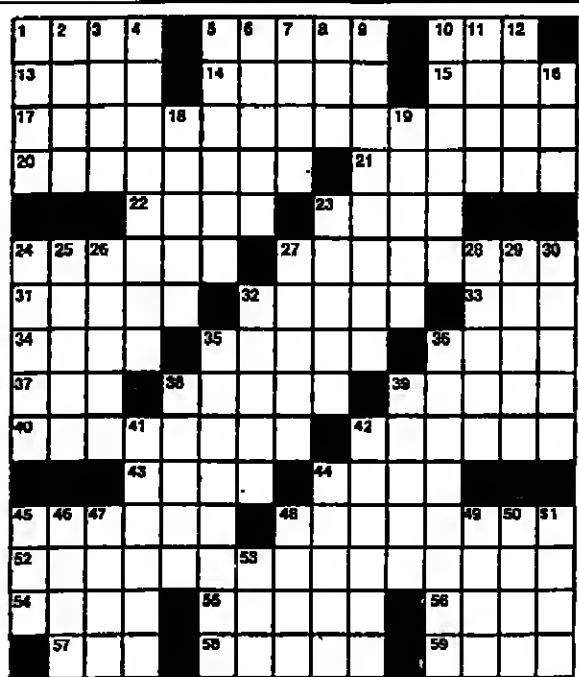
In Detroit, GM spokesman Harry Kelly Jr. would say only that no agreement had been reached.

Meanwhile, the newspaper Asahi reported that Toyota and GM have agreed to produce 200,000 passenger cars a year at a U.S. plant starting in the summer of 1984. Asahi said no production site had been decided.

هكذا من الأسماء

CROSSWORD

Edited by Eugene T. Malachuk



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WEATHER

Readings from the previous 24 hours.

	HIGH	LOW		HIGH	LOW
ALBANY	22	14	LOS ANGELES	26	70
ALBUQUERQUE	22	14	MADRID	26	70
ALBUQUERQUE	22	14	MADRID	26	70
ALBUQUERQUE	22	14	MADRID	26	70
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ALBUQUERQUE	22	14	MADRID	26	70
ALBUQUERQUE	22	14	MADRID	26	70
ALBUQUERQUE	22	14	MADRID	26	70

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INTERNATIONAL FUNDS

May 19, 1982

The net asset value quotations shown below are supplied by the Funds listed with the exception of some funds whose values are supplied by the International Fund for the Americas (IFA) and the International Fund for the Americas (IFA).

Funds are listed in alphabetical order by name. (A) - American Funds; (B) - British American Funds; (C) - Canadian Funds; (D) - Dutch Funds; (E) - European Funds; (F) - French Funds; (G) - German Funds; (H) - Italian Funds; (I) - Japanese Funds; (J) - Korean Funds; (K) - Latin American Funds; (L) - Luxembourg Funds; (M) - Mexican Funds; (N) - New Zealand Funds; (O) - Norwegian Funds; (P) - Portuguese Funds; (Q) - Spanish Funds; (R) - Swiss Funds; (S) - Swedish Funds; (T) - United Kingdom Funds; (U) - United States Funds; (V) - Vietnamese Funds; (W) - West German Funds; (X) - Yugoslav Funds; (Y) - Other Funds.

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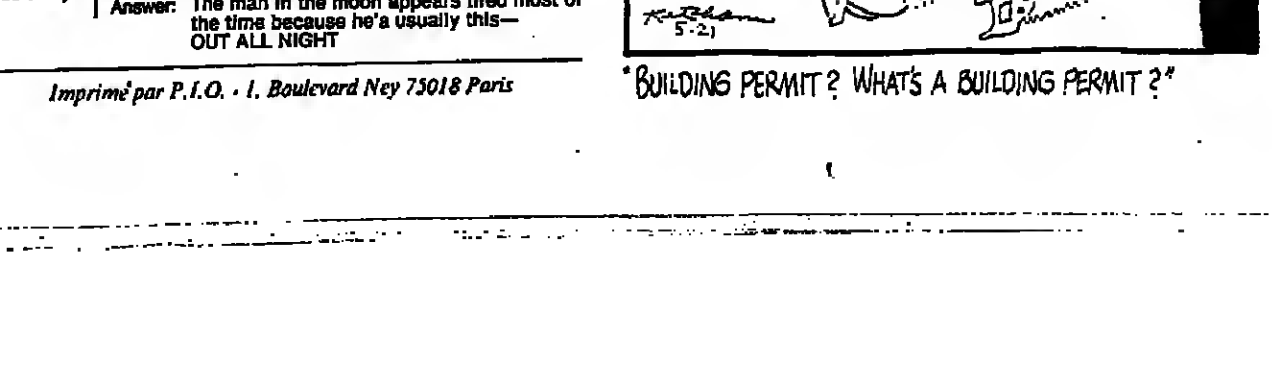
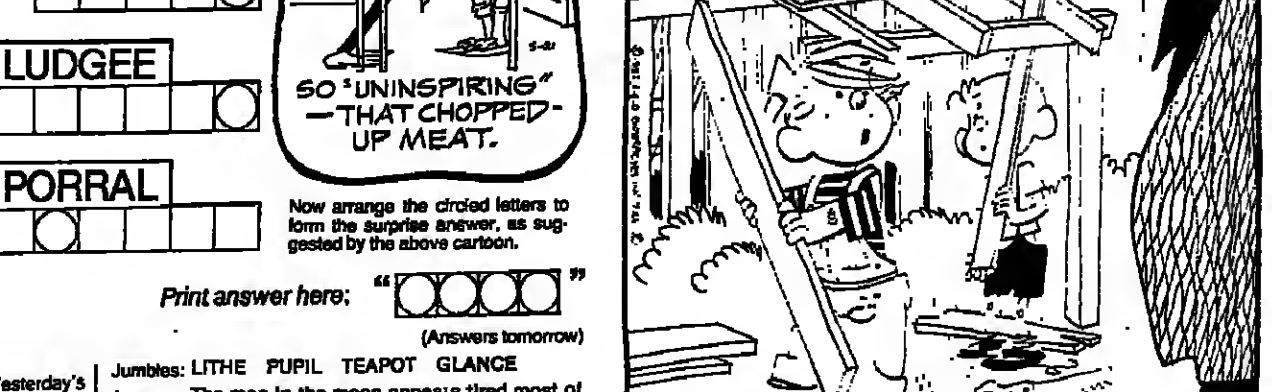
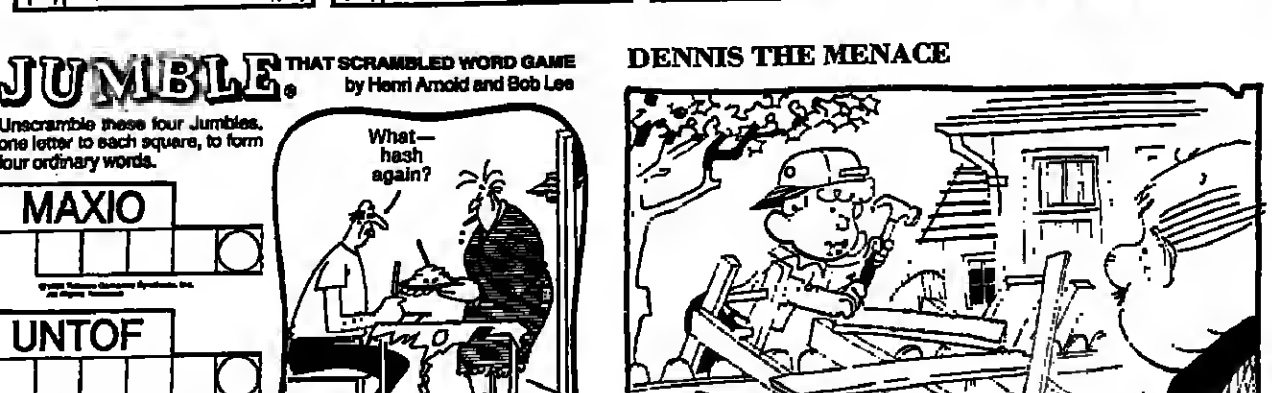
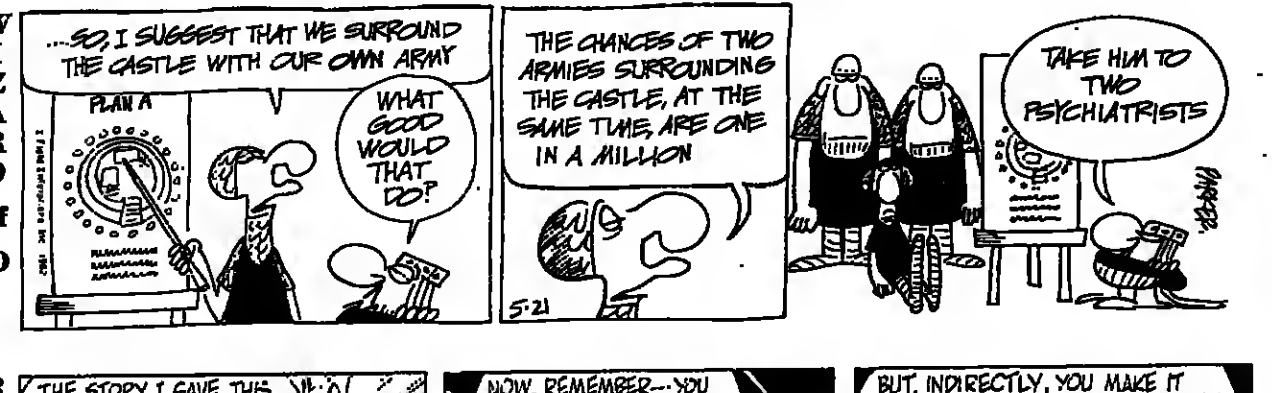
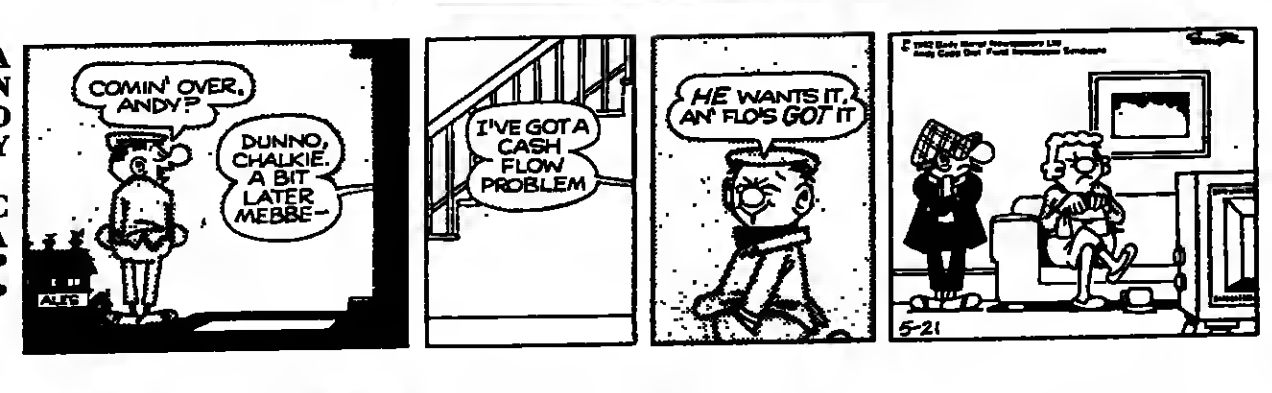
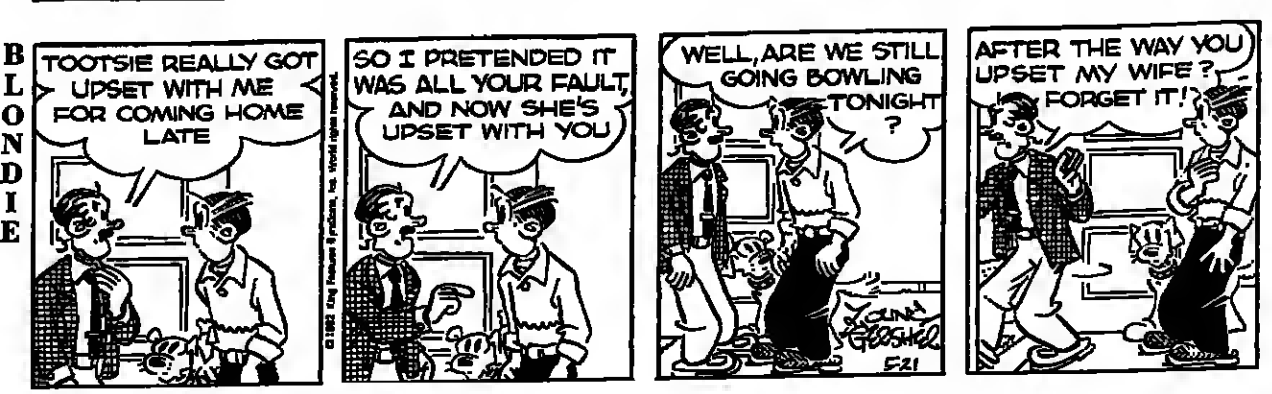
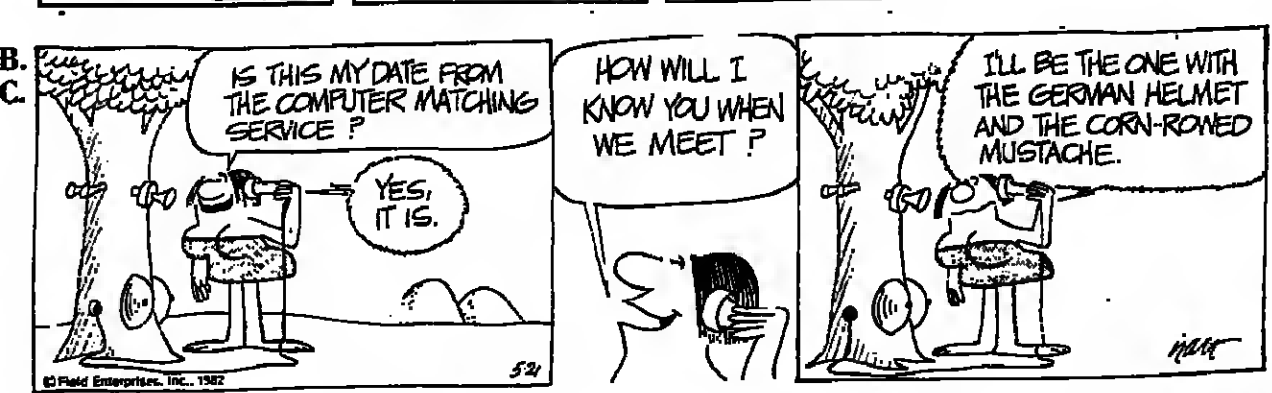
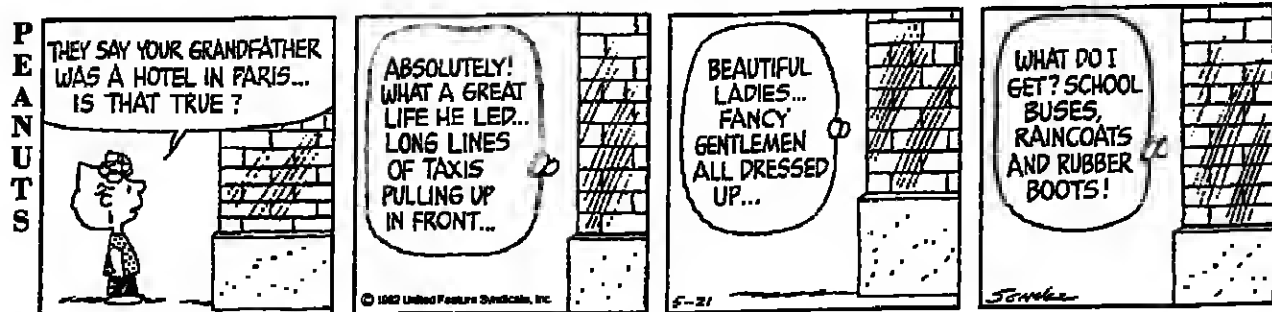
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BOOKS

THE POLISH AUGUST: The Self-Limiting Revolution

By Neal Ascherson. 320 pp. \$14.95.

Viking Press, 625 Madison Ave., New York, N.Y. 10022.

THE BOOK OF LECH WALESA

Introduced by Neal Ascherson. 203 pp. \$12.50. Paperback \$4.95.

Simon & Schuster, 1230 Avenue of the Americas, New York, N.Y. 10020.

SOLIDARITY: Poland in the Season of Its Passion

By Lawrence Weschler. 238 pp. Paperback \$8.95.

Simon & Schuster, 1230 Avenue of the Americas, New York, N.Y. 10020.

Reviewed by Peter Osnos

NEAL Ascherson's "The Polish August" and the rest of other new books drawn from the 16 months of Poland's experiment with radical internal reform suffer a serious common problem. They were conceived, researched and written before martial law was declared last December 13 — an event that brutally terminated, albeit temporarily, the sway of Solidarity, the free trade union at the core of Poland's social upheaval.

The books were designed to be received in one spirit, and are being read in another. The effect is like watching a Greek tragedy in which the spectators know how badly everything will turn out but neither the writers nor the actors seem to. What results is a considerable credibility problem.

The reformists were crushed overnight, all their hopes and ambitions, their debates, referenda and proposals rendered irrelevant. The ridge that remains is how could Solidarity have been so popular and pervasive for well over a year and yet so weak in the face of repression? Why was it months before pro-Solidarity crowds again took to the streets? Ascherson has no answer.

Ironically, he does put the proposition correctly when he writes early on that there were two main issues to be resolved following the strikes of August 1980, that gave Solidarity its start:

"The West saw only one: whether the Soviet Union would invade Poland to reverse the summer's changes or not. The Poles, while admitting that the first question had a grimly terminal priority, found it almost boring. They had lived with this sort of problem, on and off, for generations. Much more interesting to them was the second question: was it possible to govern Poland by consent rather than coercion, to give creative expression to the nation's underlying unity, as long as a Communist Party retained the formal monopoly of political power?"

For months the answer seemed to be yes, that somehow Poland was moving towards a form of democratic socialism in which party authority did not exclude such other major forces as Solidarity and the church. Suddenly, in one terrible night, the answer turned out to be a resounding no, coercion proved the party's only recourse. Yet Ascherson's book is not about the party's preparations to crush the popular will; it is about the popular will, at least for now the apparent loser in Poland.

The biggest mystery in these new works — Lawrence Weschler's "Solidarity," a reprint from The New Yorker and "The Book of Lech Waleasa," an anthology, are two of the other good ones — is that they all misinterpreted what was happening.

Some people evidently did sense what was going on. Andrzej Wajda, the Polish film director, told me on a visit to Washington in mid-October that he expected the end would come when "the police swoop down one night and arrest 5,000 of us." That time, but, of course, it was absolutely right. If the end was so obvious, why did Solidarity not prepare for it? Why were the Polish people so stunned? These books do not, could not, deal with those questions. And that, alas, makes even Ascherson's otherwise extensive account incomplete.

But bearing that factor in mind, "The Polish August" is a clear and compassionate study of its subject, its energy in the first place, and why, by inference, something like it is bound to come again. Ascherson

sketches the history of popular sentiment in postwar Poland, the recurring tension between the alienated Communist apparatus and a populace with a profound yearning for spiritual liberty.

Ascherson has been writing about Poland for decades in British newspapers and has a strong feel for the Polish temperament. He particularly understands the cyclical qualities of Polish political expression in which every 12 years, it seems — 1956, 1968-70 and 1980 — the leadership is overturned by strong popular protests. In each of these three cases, the new Communist authorities pledged themselves to reforms, to a closer relationship with the people, to a renewal of socialist principles. And each case ended in disappointment or disaster.

Ascherson's thesis is that party authority eroded because of the party's inability to govern adequately, to manage the economy, to inspire a modicum of loyalty. Even a relatively benign stance on culture and human rights (for a Soviet bloc state) failed to enlist national confidence. But more importantly, Ascherson observes, the decline of the party was matched by a surge in Polish national pride, especially following the selection of a Polish pope in 1978.

The combination of a perceived political vacuum and a strong new sense that the people, acting under what amounted to divine guidance, might prevail, led to the extraordinary phenomenon called Solidarity.

The belief that a free trade union with 10 million members and a Catholic church commanding the allegiance of virtually the whole country could amass real power was not, even in retrospect, unrealistic. But where the people evidently went wrong was in the choice of tactics, an understandable impulse to make real changes without a prudent sense that they might yet be defeated.

"Dangerous Period"

Waleasa himself plainly did see the risks. In "The Book of Lech Waleasa" (a collection of interviews, commentary and biographical notes first published in Poland), the Solidarity leader observes:

"This is a very dangerous period we're in... Certain astonishing phenomena have appeared in the world, and they all have some kind of common denominator. A Polish pope, Solidarity, a new president in the U.S.A., a new president in France — nobody could have foreseen a combination of forces like that. There's a certain freshness in the world, and a lot of good hope. But what will happen if this hope proved to be false? If this new movement, scattered as it is over the whole world, proves incapable of converging and creating new forces, there'll be chaos, confusion and confrontation. That's what I'm frightened of most."

How right he was to be frightened. Yet, there is a naive determinist faith in Waleasa's comments, knowing the worst that might happen but not able to control events to prevent it from coming about.

Poland today is emerging from a profound national depression. For all the history and antecedents that made the Solidarity period possible, looking back now, Polish behavior during those 16 months seems almost giddy. Gone are the freer press and open discussion. Gone is the world's fascination with this brave experiment. Now, the attitude in the West has turned sour: the Poles messed up, goes much of the prevailing argument, they did it to themselves, it's their fault, there is little we can do for them.

All that makes what has happened even sadder: the Poles did let themselves down; they let those who believed in them down; they gave in to the forces of darkness among themselves. They know it and we know it.

But if there is a message in Ascherson's book beyond the events it records, it is that there will be another upheaval in Poland because the same mix of elements that created the ferment in the first place still exists: a strong church, fierce nationalism and a party that, as Ascherson puts it, "has not worn a real foothold into the nation." The time may not come immediately, but it will certainly come.

Peter Osnos is on the staff of the Washington Post.

BRIDGE

By Alan Truscott

WEST opened the hand with one diamond, and heard a natural three-diamond bid on his left. South bid clubs at the four level, and North raised to game.

A diamond lead would have been effective, for the defense will sooner or later take three tricks, all in the red suits. But that did not seem sensible when North had advertised diamond length and strength. A singleton trump is rarely the right lead, but West placed his club nine on the table and was vindicated by the result.

South won in his hand and led a heart. West put up the ace and, outing that his partner played the deuce from a holding that offered a wide choice, shifted to a diamond. The play by East was a suit-preference signal, calling for the low-ranking side suit, diamonds.

The diamond play was essential, for it gave East the chance to lead a second trump. The declarer was now limited to one spade ruff in dummy and had no way to take more than 10 tricks.

At other tables the defense was less accurate and five clubs was made twice, in nine cases doubled. If West led a major suit, South had time to discard a diamond in due course, on the heart king. The defense could neither

disentangle its two diamond tricks nor prevent two ruffs in the dummy.

West and East gained 116 international match points for their trouble. However, the best East-West score went to a pair who managed to bring home a major-suit game and win 221 points.

NORTH

♠ K93

♦ QJ10862

♣ K7

WEST (D)

♠ K78

♦ AQ78

♣ K843

♠ 9

SOUTH

♠ AQ10

♦ 75

♣ AJ086432

Neither side was vulnerable. The bidding:

West North East South

1♣ 3♣ 1♦ 4♣

Pass 5♣ Pass Pass

West led the club nine.

WEST

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♦ QJ10862

♣ K7

WEST (D)

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